



Board of Selectmen Meeting

Monday, December 2, 2019 7:00 PM

36 Bartlet Street, Andover, MA 01810

Selectmen's Conference Room

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2019 NOV 26 P 2:22

TOWN OF ANDOVER, MASS

- I. Call to Order – 7:00 P.M.
- II. Opening Ceremonies
 - A. Moment of Silence/Pledge of Allegiance
- III. Communications/Announcements/Liaison Reports
- IV. Citizens Petitions and Presentations
- V. Public Hearings
 - A. Fiscal Year 2020 Tax Classification – (30 minutes) – 1st Reading
Board to discuss and vote on classification and taxation of all property within the Town.
- VI. Regular Business of the Board
 - A. Town Manager Reappointment Update – (5 minutes)
Board to make announcement relative to the reappointment process for the Town Manager.
 - B. Bond Sale – (10 minutes)
Board to consider voting to approve a Bond sale.
 - C. Historic Mill District Update – (20 minutes)
Board to receive an update on the former Town Yard (11 Lewis Street) Request for Proposals (RFP).
 - D. All Day Kindergarten Update – (20 minutes)
Board to receive an update on the All Day Kindergarten Initiative.
- VII. Consent Agenda
 - A. Appointments by the Town Manager
Board to vote that the following appointments by the Town Manager be approved:

Department	Name	Position	Rate/Term	Date of Hire
Andover Green Advisory	Elizabeth Rasmussen	Member	Term Expires 6/30/2022	12/02/2019
Community Services – Recreation	Nancy Simili	Kid Care	\$15.75/hour	12/03/2019

VIII. Executive Session

- A. Board to vote to go into Executive Session pursuant to Purpose 2 of Massachusetts General Laws, Chapter 30, Section 21(a), to conduct strategy sessions in preparation for negotiations with nonunion personnel, i.e., the Town Manager., and not to return to open session.

IX. Adjourn

If any member of the public wishing to attend this meeting seeks special accommodations in accordance with the Americans with Disabilities Act, please contact Kathryn Forina in the Town Manager's Office at 978-623-8215 or by email at kathryn.forina@andoverma.us

MEETINGS ARE TELEVISED ON
COMCAST CHANNEL 22 AND VERIZON CHANNEL 45



TOWN OF ANDOVER MASSACHUSETTS

Board of Assessors

(978) 623-8930

Fax (978) 623-8993

Town Office

36 Bartlet Street
Andover, Ma 01810

assessor@andoverma.gov

DATE: December 2, 2019

TO: Ms. Laura Gregory, Chair
And Members of the Select Board

FROM: David A. Billard, MAA
Board of Assessors

SUBJECT: Classification of Property - Fiscal Year 2020

The Board of Assessors for the Town of Andover has determined the total valuation for all property in Andover for Fiscal Year 2020. The Department of Revenue has granted approval of the FY2020 assessments in Andover. With this approval we can determine the minimum residential factor that may be adopted by the Town of Andover pursuant to Chapter 40, Section 56, and the percentages of the local tax levy that may be borne by each class of property for the Fiscal Year 2020 tax.

In accordance with Chapter 390 of the Acts of 1982, the Andover select Board will hold a public hearing on the 18th of November 2019 at 7:00 p.m. in order to determine the following items as they pertain to the Fiscal Year 2020 tax rate:

- 1) The adoption of a residential factor for the purpose of determining the percentage tax load to be borne by each class of property.**

The major decision for the Select Board is the annual determination of a residential factor in order to determine the tax burden to be borne by each class of property. The Commissioner of Revenue for the Commonwealth of Massachusetts has determined that the residential factor can be a minimum of 83.0284% and a maximum of 100% or a factor of 1. Selection of the minimum residential factor will establish a maximum commercial, industrial and personal property tax shift of 175%. A maximum residential factor of 1 will establish a uniform tax rate for all classes of property. The Select board may select either of these factors or any factor in between the two.

2) The determination of a discount factor of up to twenty-five percent (25%) for all land properly identified as "Open Space".

The Select Board is entitled to grant a discount factor of up to twenty-five percent for all property classified as open space. For Fiscal Year 2020, the Assessors have reviewed, at the request of the Department of Revenue, properties that were classified as open space. As often discussed at the classification hearing, the parcels that were recognized as open space for assessment purposes were unbuildable lots. This exemption is to preserve open space from development. If the parcels are unbuildable, then there is no development potential and really are not "open space" from an assessment standpoint. As such, the previously classified open space parcels have been reclassified as they should be as vacant land.

3) The determination of a residential exemption factor of up to thirty five percent (35%).

The Select Board may grant an exemption of not more than thirty five percent (35%) of the **average** value of all Class One, residential property. The exemption is borne by the residential class and may only be applied to residential parcels that are the **principal residence** of the taxpayer as used by the taxpayer for state income tax purposes as of January 1, 2018. The average of all Class One value for Fiscal Year 2020 is \$625,301. (Note that this average includes all Class One value, not just single-family homes. The average single family home for FY2020 is assessed at \$681,094. The maximum discount of 35% allowed for each eligible parcel would therefore be up to \$218,855. Based on these figures, every eligible parcel currently valued at less than \$625,301 would be subjected to a tax reduction. Conversely, each parcel valued greater than \$625,301 would be subjected to a tax increase. The less expensive residential properties would receive a tax reduction while more expensive properties would receive a tax increase.

4) The determination of a small commercial exemption of up to ten percent (10%).

Commercial properties with an assessed value of less than one million dollars and having each and every business in the building appearing on a specific list prepared by the Department of Employment and Training are eligible for a reduction in assessed value of up to ten percent (10%) of the existing assessed value. The resultant reduction in value and tax is to be borne by ineligible commercial and industrial property.

The information that follows in this packet is submitted to the Select Board to assist in understanding the impact of their votes. All tax rates and tax levy amounts are estimated in this document. The actual tax levy and the resultant tax rate/s cannot be calculated until the Select Board completes the Fiscal Year 2020 classification process. Should you have any questions or require other material, please do not hesitate to contact me at (978) 623-8930.

Respectfully submitted,

Fiscal Year 2020 Property Valuation Changes

FY2020 assessments were derived using calendar year 2018 sales. Single family home assessments increased from an average assessment of \$653,104 for FY2019 to an average assessment of \$681,100 for FY2020; a 4.3% increase. Condominium assessments increased from an average assessment of \$315,449 for FY2019 to \$336,520 for FY2020, a 6.7% increase. Multifamily assessments, two and three family homes, had an average assessment of \$498,768 in FY2019 that increased to \$539,372 for FY2020, an 8.1% increase. Commercial assessments increased 3.8% from an average FY2019 assessment of \$2,198,398 to a FY2020 average assessment of \$2,282,749. Industrial properties had a FY2019 average assessment of \$4,561,024 increasing to an average assessment for FY2020 of \$4,752,441, a 4.2% increase. These percentages represent overall changes in classes of properties. Individual assessment changes may be different.

FY2019 assessments were derived using calendar year 2017 sales. Assessment adjustments to single family homes overall were a 6.3% increase. Condominium assessments increased overall by 4.1%. Two and three family homes had assessment increases of 7.8% as a class. Commercial property assessments increased as a class by 2.2% and industrial properties increased as a class by 4.7%. Overall, assessment changes due to market activity were higher in FY2019 than the past two years. Sales activity occurring in calendar year 2018 will be analyzed and used to adjust assessments for FY2020; which is a State audited revaluation year.

Fiscal Year 2020 Classification Data

1. Total Assessed Value by Class - Fiscal Years 2019 to 2020 Comparison

The following chart compares the Fiscal Years 2019 and 2020 total assessed values of property by class. The total assessed value of all property in Andover increased by \$477,671,919. The class breakdown for the percentage changes are shown on the following table:

Property Class	Fiscal 2019 Value	Fiscal 2020 Value	% Change
Residential	\$6,818,924,895	\$7,175,327,051	+5.23%
Open Space	\$7,031,800	\$0	-100.00%
Commercial	\$605,393,222	\$629,857,515	+4.04%
Industrial	\$639,205,100	\$674,985,400	+5.60%
Personal Property	\$250,782,409	\$318,839,379	+27.14%

Property Class	Fiscal 2019 Value	Fiscal 2020 Value	% Change
Residential	\$6,818,924,895	\$7,175,327,051	+5.23%
Open Space	\$7,031,800	\$0	-100.00%
Commercial	\$605,393,222	\$629,857,515	+4.04%
TOTAL	\$8,321,337,426	\$8,799,009,345	+5.74%

2. Total Assessed Value Residential v. Commercial Class - Fiscal Years 2019 to 2020 Comparison

The following chart compares the Fiscal Year 2019 property values of residential and commercial (CIP) property to Fiscal Year 2020 totals.

Property Class	Fiscal 2019 Value	Fiscal 2020 Value	% Change
Res. & Open Space	\$6,825,956,695	\$7,175,327,051	+5.12 %
CIP	\$1,495,380,731	\$1,623,682,294	+8.58 %
TOTAL	\$8,321,337,426	\$8,799,009,345	+5.74 %

Estimated Tax Rates for Fiscal Year 2020

The levy limit for Fiscal Year 2020 is \$154,314,611. This amount includes \$3,782,989 for the school construction and Public Safety debt overrides. The estimated excess levy capacity for Fiscal Year 2020 is \$2,695,807. This will change when the tax rate is calculated due to rounding. The calculation of the excess levy capacity is done as follows.

Fiscal Year	Tax Levy Limit	Amount Levied	Excess Levy Amount
2020 (Estimated)	\$154,314,611	\$151,618,804	\$2,695,807
2019 (Actual)	\$146,503,847	\$145,370,283	\$1,133,564

The following table projects Fiscal Year 2020 estimated tax rates using various factors. **The FY2019 Shift Factor was 157.5%, which produced a residential rate of \$15.27 and a commercial rate of \$27.51 for FY2020.**

Residential Factor	Resulting CIP Shift Factor (%)	Residential Rate	Commercial Rate
1.00	100	\$17.25	\$17.23
95.4743	120	\$16.47	\$20.68
93.2114	130	\$16.08	\$22.40
90.9485	140	\$15.69	\$24.12
88.6857	150	\$15.30	\$25.85
88.4594	151	\$15.26	\$26.02
88.2231	152	\$15.23	\$26.19
88.0068	153	\$15.19	\$26.36
87.7805	154	\$15.15	\$26.54
87.5542	155	\$15.11	\$26.71
87.3279	156	\$15.07	\$26.88
87.1017	157	\$15.03	\$27.05
86.8754	158	\$14.99	\$27.23
83.0285	175	\$14.33	\$30.15

If you were to choose to keep the **same percentage shares** of the levy by class, so that residential and the commercial, industrial and personal property classes would pick up the same aggregate percentage of the levy as they did in Fiscal Year 2019, **you would need to vote a residential factor of 87.8937** equating to a 153.5 shift. By adopting this factor the average residential tax bill would increase by 3.6%, the average commercial tax bill would decrease by .2% and the average industrial tax bill would increase by .2%.

If you were to choose to keep the **tax increases as uniform as possible** by class, **then a vote of a residential factor of 87.1017 would have to be adopted**, equating to a shift factor of 157. By adopting this factor the average residential tax bill would increase by 2.6%, the average commercial tax bill would increase by 2.1% and the average industrial tax bill would increase by 2.5%.

If you were to choose to keep **the same shift factor constant** at a 157.5 shift, **you would need to vote a residential factor of 86.9885**. Should the Fiscal Year 2020 shift factor remain at 157.5, the average single family tax bill would increase by about 2.5% while the average commercial tax bill would increase by 2.4% and the average industrial tax bill would increase by 2.8%.

The average single family value increased from \$653,104 to \$681,094 while the average commercial value increased from \$2,198,398 to \$2,282,749 and the average industrial value increased from \$4,561,024 to \$4,752,441.

**TOWN OF ANDOVER
LEVY SHARE AT FULL VALUE**

FISCAL YEAR	RES/OPN SPACE	RESID %	COMM/IND/PERSPROP	CIP %
2019	6,825,956,695	82.03%	1,495,380,731	17.97%
2018	6,347,884,255	81.39%	1,451,345,590	18.61%
2017	6,191,555,580	80.77%	1,473,754,609	19.23%
2016	6,117,465,085	81.11%	1,425,011,097	18.89%
2015	5,801,226,330	80.24%	1,428,720,404	19.76%
2014	5,483,302,185	80.16%	1,357,223,951	19.84%
2013	5,450,304,845	80.12%	1,352,415,081	19.88%
2012	5,448,632,321	80.14%	1,349,872,925	19.86%
2011	5,269,717,961	79.64%	1,346,833,601	20.36%
2010	5,473,846,761	80.05%	1,363,810,483	19.95%
2009	5,765,913,581	80.52%	1,394,556,782	19.48%
2008	5,815,988,951	81.01%	1,363,764,124	18.99%

HISTORICAL TAX RATES

FISCAL	RES/OPN SPACE	COMM/IND PERS PROP	UNCLASSIFIED RATE
2019	\$15.27	\$27.51	\$17.47
2018	\$15.64	\$27.61	\$17.87
2017	\$15.18	\$26.46	\$17.36
2016	\$14.82	\$25.99	\$16.93
2015	\$14.97	\$24.77	\$16.91
2014	\$15.18	\$25.25	\$17.18
2013	\$14.51	\$24.26	\$16.45
2012	\$14.15	\$23.54	\$16.02
2011	\$14.12	\$22.46	\$15.82
2010	\$13.19	\$21.33	\$14.81
2009	\$12.16	\$19.98	\$13.68
2008	\$11.69	\$19.13	\$13.11

CLASSIFICATION FACTORS

FISCAL YEAR	SHIFT
2019	157.5
2018	154.5
2017	152.5
2016	153.5
2015	146.5
2014	147
2013	147.5
2012	147
2011	142
2010	144
2009	146
2008	146

SHIFT EFFECTS OF CLASSIFICATION FY2020

SHIFT	AVERAGE SINGLE FAM ASSESSMENT	% DECREASE	AVERAGE COMM ASSESSMENT	AVERAGE INDUSTRIAL ASSESSMENT
FY2020	681,094		2,282,749	4,752,441
100	\$11,748.87		\$39,331.77	\$81,884.56
120	\$11,217.62	-4.5%	\$47,207.25	\$98,280.48
130	\$10,951.99	-6.8%	\$51,133.58	\$106,454.68
140	\$10,686.36	-9.0%	\$54,877.29	\$114,248.68
150	\$10,420.74	-11.3%	\$59,009.06	\$122,850.60
151	\$10,393.49	-11.5%	\$59,397.13	\$123,658.51
152	\$10,373.06	-11.7%	\$59,785.20	\$124,466.43
153	\$10,345.82	-11.9%	\$60,173.26	\$125,274.34
154	\$10,318.57	-12.2%	\$60,378.71	\$125,702.06
155	\$10,291.33	-12.4%	\$60,972.23	\$126,937.70
156	\$10,277.71	-12.5%	\$61,154.85	\$127,317.89
160	\$10,155.11	-13.6%	\$62,935.39	\$131,024.80
170	\$9,889.48	-15.8%	\$66,861.72	\$139,199.00
175	\$9,760.08	-16.9%	\$68,824.88	\$143,286.10

With the maximum shift of 175, the residential taxpayer saves a maximum of 16.9% from the \$11,748.87 tax with no split.

ANDOVER AVERAGE SINGLE FAMILY TAX BILL

FISCAL YEAR	AVG VALUE	TAX RATE	AVG TAX BILL	% CHANGE	TAX FACTOR
FY2019	\$653,104	\$15.27	\$9,972.90	3.98%	157.5%
FY2018	\$613,261	\$15.64	\$9,591.40	4.60%	154.5%
FY2017	\$604,053	\$15.18	\$9,169.52	2.51%	152.5%
FY2016	\$603,550	\$14.82	\$8,944.61	3.43%	153.5%
FY2015	\$577,689	\$14.97	\$8,648.00	3.65%	146.5%
FY2014	\$549,662	\$15.18	\$8,343.87	4.73%	147.0%
FY2013	\$549,057	\$14.51	\$7,966.82	2.33%	147.5%
FY2012	\$550,219	\$14.15	\$7,785.60	4.08%	147.0%
FY2011	\$529,775	\$14.12	\$7,480.42	3.33%	142.0%
FY2010	\$548,860	\$13.19	\$7,239.46	2.63%	144.0%
10 YEAR AVERAGE				3.53%	
5 YEAR AVERAGE				3.63%	

PERCENTAGE CHANGES IN PROPERTY TYPE VALUES

CLASS	VALUE FY2019	VALUE FY2020	VALUE CHANGE	PERCENT CHANGE
Single Family	5,631,065,600	5,928,243,700	\$297,178,100	5.28%
Condominium	571,908,800	634,339,600	\$62,430,800	10.92%
2 & 3 Family	116,213,000	126,752,400	\$10,539,400	9.07%
Multi-Family	326,484,500	373,031,100	\$46,546,600	14.26%
Vacant Land	49,430,000	59,940,700	\$10,510,700	21.26%
Other Residential	123,822,995	53,019,551	-\$70,803,444	-57.18%
Open Space	7,031,800	0	-\$7,031,800	-100.00%
Commercial	605,393,222	629,857,515	\$24,464,293	4.04%
Industrial	639,205,100	674,985,400	\$35,780,300	5.60%
Personal Property	250,782,409	318,839,379	\$68,056,970	27.14%
TOTAL	8,321,337,426	8,799,009,345	\$477,671,919	5.74%

COMMUNITY COMPARISON OF FY2019 TAX RATES

COMMUNITY	RSDNTL RATE	COM/IND RATE
ACTON	\$19.37	\$19.37
ANDOVER	\$15.27	\$27.51
ARLINGTON	\$11.26	\$11.26
BEDFORD	\$13.18	\$28.95
BELMONT	\$11.67	\$11.67
CANTON	\$12.40	\$25.77
CONCORD	\$14.23	\$14.23
DUXBURY	\$14.68	\$14.68
HINGHAM	\$18.81	\$18.81
LEXINGTON	\$14.12	\$27.33
MARBLEHEAD	\$10.74	\$10.74
NATICK	\$12.71	\$12.71
NEEDHAM	\$12.39	\$24.42
NORWELL	\$16.40	\$16.40
SUDBURY	\$17.91	\$24.30
WAYLAND	\$18.28	\$18.28
WELLESLEY	\$11.57	\$11.57
WESTWOOD	\$14.65	\$28.24

FY2020 DISTRIBUTION OF SINGLE FAMILY HOME PARCELS

VALUE RANGE	NUMBER OF PARCELS	PERCENT OF TOTAL (COUNT)	AGGREGATE VALUE	PERCENT OF TOTAL (VALUE)
0 to 300,000	47	0.5%	12,261,600	0.21%
300,001 to 400,000	340	3.9%	124,139,300	2.09%
400,001 to 500,000	1,343	15.4%	614,377,700	10.36%
500,001 to 600,000	2,288	26.3%	1,258,657,800	21.23%
600,001 to 700,000	1,799	20.7%	1,161,387,300	19.59%
700,001 to 800,000	975	11.2%	727,359,700	12.27%
800,001 to 900,000	700	8.0%	594,541,500	10.03%
900,001 to 1,000,000	419	4.8%	395,659,900	6.67%
1,000,001 to 1,100,000	268	3.1%	280,752,700	4.74%
1,100,001 to 1,200,000	172	2.0%	196,539,500	3.32%
1,200,001 to 1,300,000	94	1.1%	116,855,000	1.97%
1,300,001 to 1,400,000	75	0.9%	100,766,100	1.70%
1,400,001 to 1,500,000	51	0.6%	73,683,800	1.24%
1,500,001 to 2,000,000	81	0.9%	136,493,900	2.30%
2,000,000 AND UP	52	0.6%	134,767,900	2.27%
	8,704	100.0%	5,928,243,700	100.00%

FY2020 DISTRIBUTION OF COMMERCIAL AND INDUSTRIAL PARCELS

VALUE RANGE	NUMBER OF PARCELS	PERCENT OF TOTAL (COUNT)	AGGREGATE VALUE	PERCENT OF TOTAL (VALUE)
0 to 1,000,000	262	64.7%	88,259,600	6.92%
1,000,001 to 2,000,000	40	9.9%	56,413,900	4.42%
2,000,001 to 4,000,000	31	7.7%	87,441,600	6.86%
4,000,001 to 6,000,000	16	4.0%	75,925,600	5.95%
6,000,001 to 8,000,000	11	2.7%	76,765,200	6.02%
8,000,001 to 10,000,000	12	3.0%	107,517,000	8.43%
10,000,001 to 12,000,000	8	2.0%	87,819,100	6.89%
12,000,001 to 14,000,000	6	1.5%	76,485,000	6.00%
14,000,001 to 16,000,000	1	0.2%	14,451,700	1.13%
16,000,001 to 18,000,000	3	0.7%	49,740,400	3.90%
18,000,001 to 20,000,000	1	0.2%	19,584,800	1.54%
20,000,001 to 22,000,000	1	0.2%	21,635,600	1.70%
22,000,001 to 24,000,000	0	0.0%	0	0.00%
24,000,001 to 26,000,000	1	0.2%	24,493,600	1.92%
26,000,001 to 28,000,000	3	0.7%	80,868,500	6.34%
28,000,001 to 30,000,000	0	0.0%	0	0.00%
30,000,001 to 32,000,000	0	0.0%	0	0.00%
32,000,001 AND UP	9	2.2%	407,808,100	31.98%
	405	100.0%	1,275,209,700	100.0%

Average tax bill increases at 5 year and 10 year averages

Effects of FY2020 shift on 5 and 10 year averages

FISCAL YEAR	AVERAGE SINGLE FAMILY	AVERAGE SINGLE FAMILY TAX	TAX BILL INCREASE	AVERAGE COMM VALUE	AVERAGE COMM TAX	TAX BILL INCREASE	AVERAGE INDUST VALUE	AVERAGE INDUST TAX	TAX BILL INCREASE	SHIFT
2019	653,104	\$9,973	3.98%	2,198,398	\$60,478	3.88%	4,561,024	\$125,474	4.74%	157.5
2018	613,260	\$9,591	4.60%	2,108,567	\$58,218	5.30%	4,338,749	\$119,793	6.20%	154.5
2017	604,053	\$9,170	2.51%	2,089,455	\$55,287	2.84%	4,262,878	\$112,796	2.23%	152
2016	603,550	\$8,945	3.43%	2,068,524	\$53,761	3.63%	4,245,399	\$110,338	4.52%	153.5
2015	577,689	\$8,648	3.65%	2,094,392	\$51,878	3.77%	4,261,954	\$105,569	5.85%	146.5
2014	549,622	\$8,343	4.73%	1,979,913	\$49,993	3.52%	3,546,256	\$89,543	5.89%	147.0
2013	549,057	\$7,967	2.55%	1,990,558	\$48,291	2.44%	3,485,790	\$84,565	2.22%	147.5
2012	549,043	\$7,769	3.86%	2,002,639	\$47,142	3.95%	3,514,422	\$82,729	2.11%	147.0
2011	529,775	\$7,480	3.33%	2,019,107	\$45,349	3.08%	3,607,335	\$81,021	-0.38%	142.0
2010	548,860	\$7,239	2.63%	2,062,520	\$43,994	2.68%	3,812,815	\$81,327	2.66%	144.0
5 yr avg 2019-2015	AVERAGE	AVERAGE	3.64%			3.88%			4.71%	
10 yr avg 2019-2010	AVERAGE	AVERAGE	3.53%			3.51%			3.60%	

157.5 shift - same shift adopted in FY2019

2020	681,094	\$10,223	2.51%	2,282,749	\$61,954	2.44%	4,752,441	\$128,981	2.80%	157.5
2019	653,104	\$9,973	3.98%	2,198,398	\$60,478	3.88%	4,561,024	\$125,474	4.74%	157.5
2018	613,260	\$9,591	4.60%	2,108,567	\$58,218	5.30%	4,338,749	\$119,793	6.20%	154.5
2017	604,053	\$9,170	2.51%	2,089,455	\$55,287	2.84%	4,262,878	\$112,796	2.23%	152
2016	603,550	\$8,945	3.43%	2,068,524	\$53,761	3.63%	4,245,399	\$110,338	4.52%	153.5
2015	577,689	\$8,648	3.65%	2,094,392	\$51,878	3.77%	4,261,954	\$105,569	5.85%	146.5
2014	549,622	\$8,343	4.73%	1,979,913	\$49,993	3.52%	3,546,256	\$89,543	5.89%	147.0
2013	549,057	\$7,967	2.55%	1,990,558	\$48,291	2.44%	3,485,790	\$84,565	2.22%	147.5
2012	549,043	\$7,769	3.86%	2,002,639	\$47,142	3.95%	3,514,422	\$82,729	2.11%	147.0
2011	529,775	\$7,480	3.33%	2,019,107	\$45,349	3.08%	3,607,335	\$81,021	-0.83%	142.0
5 yr avg 2020-2016	AVERAGE	AVERAGE	3.41%			3.62%			4.10%	
10 yr avg 2020-2011	AVERAGE	AVERAGE	3.51%			3.49%			3.57%	

153.5 shift- keeps levy shares consistent with FY2019 factor adopted

2020	681,094	\$10,332	3.60%	2,282,749	\$60,379	-0.16%	4,752,441	\$125,702	0.18%	153.5
2019	653,104	\$9,973	3.98%	2,198,398	\$60,478	3.88%	4,561,024	\$125,474	4.74%	157.5
2018	613,261	\$9,591	4.60%	2,108,567	\$58,218	5.30%	4,338,749	\$119,793	6.20%	154.5
2017	604,053	\$9,170	2.51%	2,089,455	\$55,287	2.84%	4,262,878	\$112,796	2.23%	152
2016	603,550	\$8,945	3.43%	2,068,524	\$53,761	3.63%	4,245,399	\$110,338	4.52%	153.5
2015	577,689	\$8,648	3.65%	2,094,392	\$51,878	3.77%	4,261,954	\$105,569	5.85%	146.5
2014	549,622	\$8,343	4.73%	1,979,913	\$49,993	3.52%	3,546,256	\$89,543	5.89%	147.0
2013	549,057	\$7,967	2.55%	1,990,558	\$48,291	2.44%	3,485,790	\$84,565	2.22%	147.5
2012	549,043	\$7,769	3.86%	2,002,639	\$47,142	3.95%	3,514,422	\$82,729	2.11%	147.0
2011	529,775	\$7,480	3.33%	2,019,107	\$45,349	3.08%	3,607,335	\$81,021	-0.38%	142.0
5 yr avg 2020-2016	AVERAGE	AVERAGE	3.62%			3.10%			3.57%	
10 yr avg 2020-2011	AVERAGE	AVERAGE	3.62%			3.23%			3.36%	

157 shift- most uniform increases across all classes

2020	681,094	\$10,237	2.65%	2,282,749	\$61,748	2.10%	4,752,441	\$128,554	2.45%	157
2019	653,104	\$9,973	3.98%	2,198,398	\$60,478	3.88%	4,561,024	\$125,474	4.74%	157.5
2018	613,261	\$9,591	4.60%	2,108,567	\$58,218	5.30%	4,338,749	\$119,793	6.20%	154.5
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2012	549,043	\$7,769	3.86%	2,002,639	\$47,142	3.95%	3,514,422	\$82,729	2.11%	147.0
2011	529,775	\$7,480	3.33%	2,019,107	\$45,349	3.08%	3,607,335	\$81,021	-0.38%	142.0
2010	548,860	\$7,239	2.63%	2,062,520	\$43,994	2.68%	3,812,815	\$81,327	2.66%	144.0
5 yr avg 2020-2016		AVERAGE	3.43%			3.55%			4.03%	
10 yr avg 2020-2011		AVERAGE	3.45%			3.38%			3.50%	

FY2020 CLASSIFICATION HEARING

11/18/2019

The four votes needed to be taken by the
Selectmen are:

1. Vote of a residential factor
2. Vote of an open space discount
3. Vote of a residential exemption
4. Vote of a commercial exemption

VALUE COMPARISONS FY2019 TO FY2020

CLASS	FY2019 VALUE	FY2020 VALUE	% CHANGE
Residential	6,818,924,895	7,175,327,051	+5.23%
Open space	7,031,800	0	-100.00%
Commercial	605,393,222	629,857,515	+4.04%
Industrial	639,205,100	674,985,400	+5.60%
Personal Prprty	250,782,409	318,839,379	+27.14%
TOTAL	8,321,337,426	8,799,009,345	+5.74%

1. The Residential Factor

- Total value of the town \$8,799,009,345.
- Total levy amount \$151,618,804
- Levy / Value X 1,000 = \$17.23 tax rate.
- Dividing the town value into classes yields:

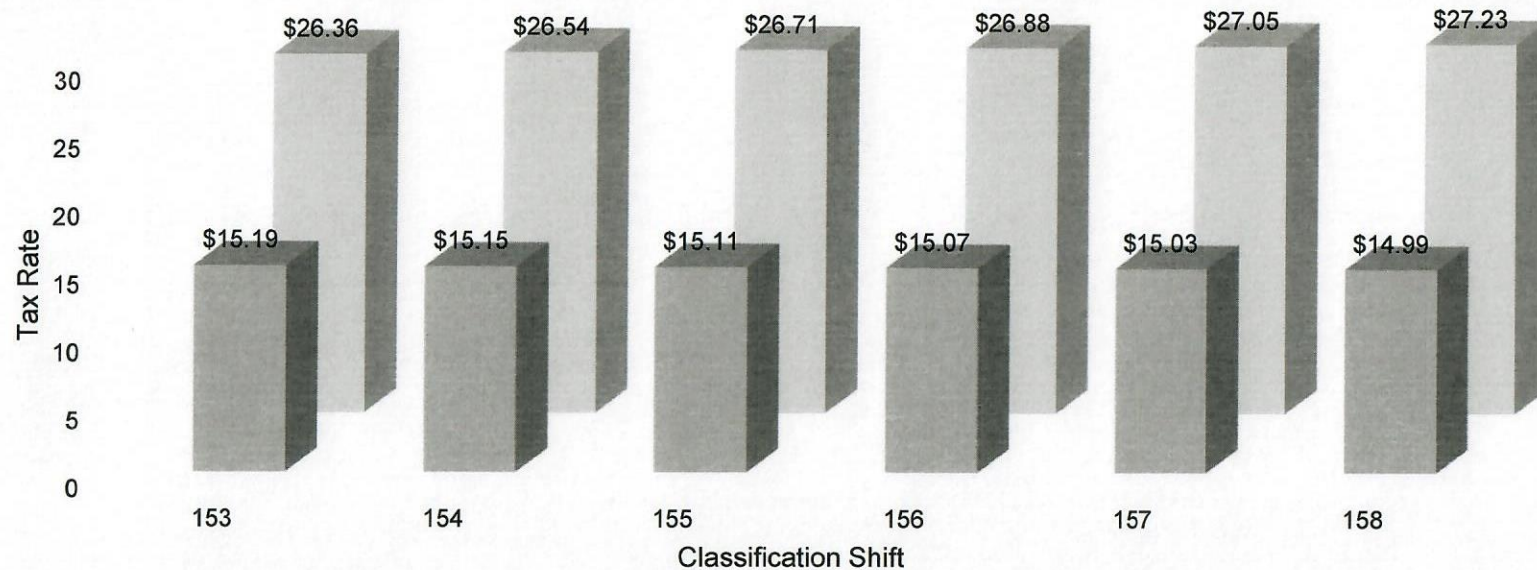
Residential	7,175,327,051	or	81.5%
Open space		or	.0%
Commercial	629,857,515	or	7.2%
Industrial	674,985,400	or	7.7%
Personal Prprty	318,839,379	or	3.6%
- Residential = 81.5% CIP = 18.5%

CLASSIFICATION SHIFTS



FY2020	100	115	130	145	160	175
RES RATE	17.25	16.67	16.08	15.50	14.91	14.33
CIP RATE	17.23	19.82	22.40	24.99	27.57	30.15

CLASSIFICATION SHIFTS



FY2020	153	154	155	156	157	158
RES RATE	15.19	15.15	15.11	15.07	15.03	14.99
CIP RATE	26.36	26.54	26.71	27.88	27.05	27.23

FY2019 TAX COMPARISON

FY2019
AVG SNGL FAM
TAX \$9,973

FY2019
AVG COMM
TAX \$60,478

FY2019
AVG IND
TAX \$125,474

FY20 VAL 681,094

2,282,749

4,752,441

153.0	\$10,346	3.7%	\$60,173	-0.5%	\$125,274	-0.2%
154.0	\$10,319	3.5%	\$60,584	0.2%	\$126,130	0.5%
155.0	\$10,291	3.2%	\$60,972	0.8%	\$126,938	1.2%
156.0	\$10,264	2.9%	\$61,360	1.5%	\$127,746	1.8%
157.0	\$10,237	2.6%	\$61,748	2.1%	\$128,554	2.5%
158.0	\$10,210	2.4%	\$62,159	2.8%	\$129,409	3.1%

10 yr. average 3.5%

3.5%

3.6%

FY2019 TAX COMPARISON

2020	FY2019	FY2019	FY2019
SHIFT	AVG SINGLE	AVG COMM	AVG IND
	\$9,973- \$15.27	\$60,475- \$27.51	\$122,851-\$27.51
153.5	\$10,332 3.6%	\$60,379 -0.2%	\$125,702 0.2%

RETAINS THE LEVY SHARES
ADOPTED IN 2019 OF 71.7% RES 28.3% COM
RES RATE \$15.17 - CIP RATE \$26.45
For the vote- Residential Factor of 87.8937%

157.0 \$10,237 2.6% \$61,748 2.1% \$128,554 2.5%
MOST UNIFORM TAX INCREASES FOR FY20
RES RATE \$15.03 - CIP RATE \$27.05
For the vote- Residential Factor of 87.1017%

FY2019 TAX COMPARISON

2020	FY2019	FY2019	FY2019
SHIFT	AVG SINGLE	AVG COMM	AVG IND
	\$9,973- \$15.27	\$60,475-\$27.51	\$122,851-\$27.51

157.5 \$10,223 2.5% \$61,954 2.4% \$128,981 2.8%

RETAINS THE SHIFT ADOPTED IN FY2019

RES RATE \$15.01 - CIP RATE \$27.14

For the vote- Residential Factor of 86.9885%

2. The Open Space Discount

- This adoption exempts up to 25% of the value of land that is classified as open space.
- Open space is land not otherwise classified and land which is maintained in an open and natural condition which contributes significantly to the benefit and enjoyment of the public.
- These parcels classified as open space are in excess of zoning, basically rear land or land from cluster developments that were never built on and had no development potential.
- At DOR's request, these parcels were reviewed and for FY2020 reclassified as vacant land.
- In FY2019 one community, Bedford, adopted this exemption.

3. The Residential Exemption

- This is an exemption of up to 35% of the average assessed value of all residential property which is applied to the assessment of the principal residence of the property owner.
- In FY2019, there were 17 communities that adopted this exemption. Out of these communities, either there were a much higher percentage of seasonal renters or a more urban setting with a much higher rental community.
- Adoption of this exemption with a high percentage of owner occupancy shifts tax burdens from lower valued properties to higher valued properties.

4. The Commercial Exemption

- The Selectmen may vote up to a 10% exemption for commercial property owners that had an average annual employment of 10 or fewer employees and an assessed value less than 1,000,000.
- Increase the tax of industrial property owners and those owning commercial properties valued over 1,000,000, as both are ineligible for this exemption.
- 14 communities adopted this exemption for FY2019, Auburn, Avon, Bellingham, Berlin, Braintree, Dartmouth, Erving, New Ashford, N. Attleborough, Seekonk, Somerset, Swampscott, Westford and Wrentham.

VOTE OF THE BOARD OF SELECTMEN

I, the Clerk of the Board of Selectmen of the Town of Andover, Massachusetts (the “Town”), certify that at a meeting of the board held December 2, 2019, of which meeting all members of the board were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the board in my custody:

Voted: that the sale of the \$10,970,000 General Obligation Municipal Purpose Loan of 2019 Bonds of the Town dated December 18, 2019 (the “Bonds”), to Fidelity Capital Markets, a Division of National Financial Services LLC at the price of \$11,904,061.36 and accrued interest, if any, is hereby approved and confirmed. The Bonds shall be payable on October 15 of the years and in the principal amounts and bear interest at the respective rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2020	\$525,000	5.000%	2033	\$415,000	2.125%
2021	555,000	5.000	2034	420,000	2.250
2022	550,000	5.000	2035	430,000	2.375
2023	550,000	5.000	2036	430,000	2.625
2024	545,000	5.000	2037	430,000	2.625
2025	495,000	5.000	2038	435,000	2.750
2026	495,000	5.000	2039	430,000	2.750
2027	495,000	5.000	2040	135,000	3.000
2028	505,000	5.000	2041	140,000	3.000
2029	510,000	4.000	2043	285,000	2.750
2030	410,000	4.000	2046	475,000	3.000
2031	410,000	2.000	2049	485,000	3.000
2032	415,000	2.125			

Further Voted: that the Bonds maturing on October 15, 2043, October 15, 2046 and October 15, 2049 (each a “Term Bond”) shall be subject to mandatory redemption or mature as follows:

Term Bond due October 15, 2043

<u>Year</u>	<u>Amount</u>
2042	\$140,000
2043*	145,000

*Maturity

Term Bond due October 15, 2046

<u>Year</u>	<u>Amount</u>
2044	\$155,000
2045	160,000
2046*	160,000

*Maturity

Term Bond due October 15, 2049

<u>Year</u>	<u>Amount</u>
2047	\$165,000
2048	170,000
2049*	150,000

*Final Maturity

Further Voted: that in connection with the marketing and sale of the Bonds, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated November 13, 2019, and a final Official Statement dated November 21, 2019 (the “Official Statement”), each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Bonds shall be subject to redemption, at the option of the Town, upon such terms and conditions as are set forth in the Official Statement.

Further Voted: that the Town Treasurer and the Board of Selectmen be, and hereby are, authorized to execute and deliver a continuing disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the Town, which undertaking shall be incorporated by reference in the Bonds for the benefit of the holders of the Bonds from time to time.

Further Voted: that we authorize and direct the Town Treasurer to establish post issuance federal tax compliance procedures and continuing disclosure procedures in such forms as the Town Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the Bonds and to comply with relevant securities laws.

Further Voted: that each member of the Board of Selectmen, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Town Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the Town Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Bonds were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Dated: December 2, 2019

Clerk of the Board of Selectmen

81699446v.2

MOTION FOR BOND SALE

MOTION

I move to adopt the vote prepared by bond counsel in connection with the Town's December 2019 bond issue.

Moved by _____

Seconded by _____

Voted _____ to _____